## United States Senate

WASHINGTON, DC 20510

March 7, 2006

The Honorable Judd Gregg Chairman Committee on the Budget United States Senate 624 Dirksen Building Washington, DC 20510

The Honorable Kent Conrad Ranking Member Committee on the Budget United States Senate 624 Dirksen Building Washington, DC 20510

Dear Chairman Gregg and Senator Conrad:

We write to underscore the importance of maintaining the commitments made to American farm families, rural communities, low income families and children, risk management, and conservation under U.S. farm policy. Therefore, we strongly urge you not to include any reconciliation instructions to the Agriculture, Nutrition, and Forestry Committee in the budget resolution.

We share your commitment to deficit reduction and look forward to working with you to achieve this goal. But, it is important to consider what U.S. farm policy has already contributed to deficit reduction. U.S. farm policy for commodities has already achieved \$12.9 billion in savings compared to the Congressional Budget Office's August 2002 projection. Meanwhile, mandatory funding for conservation, rural development, trade promotion, research, renewable energy, and forestry initiatives have all sustained cuts in the last two years totaling billions. These numbers do not include another \$38 million in annual cuts to Federal Crop Insurance resulting from the renegotiation of the Standard Reinsurance Agreement with crop insurance providers or the \$2.7 billion in savings to be achieved over the next 5 years as a consequence of last year's budget reconciliation.

U.S. farm policy for commodities only amounts to 0.76 percent of total federal spending, while helping sustain an economic sector representing 17 percent of the nation's Gross Domestic Product (GDP), 25 million jobs, and \$3.5 trillion in economic activity. Yet while this area of farm policy has already achieved billions in savings, the most recent budget proposal contemplates yet another \$9 billion in cuts over the next 10 years from both commodities and crop insurance. Additionally, these proposals actually increase the odds of Congress being forced to enact additional emergency assistance in the future. These reductions are in addition to a proposed 6.5 percent cut to discretionary agriculture funding. This level of reduced funding is not acceptable.

Thank you for your consideration as you undertake the difficult task of working to craft a budget resolution.

Sincerely,

Jame M. Talent Unit d States Senate

Blanche L. Lincoln United States Senate

Norm Coleman United States Senate Mark L. Pryor United States Senate

Larry E. Craig United States Senate James M. Leffords Upited States Senate

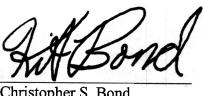
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